

Message Text

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PAGE 01 STATE 221571

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ORIGIN TRSE-00

INFO OCT-01 ARA-06 ISO-00 AGR-05 CIAE-00 COME-00 EB-07

INR-07 LAB-04 NSAE-00 SP-02 STR-04 CIEP-01 FRB-03

OMB-01 L-03 ITC-01 /045 R

DRAFTED BY TREAS:POSUCHMAN:JH

APPROVED BY EB/OT/STA:JSSPIRO

EB/OT/STA:MCJONES

ARA/ECA:TSHUGART

ARA/ECP:ABERRY

EB/FTD:SFOUTS (INFO)

- (INFO)

----- 019220

R 080105Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA

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E.O. 11652: N/A

TAGS: ETRD, BR

SUBJECT: COUNTERVAILING DUTY INVESTIGATION -- COTTON YARN
FROM BRAZIL

1. EMBASSY IS REQUESTED TO DELIVER FOLLOWING LETTER FROM
TREASURY DEPUTY ASSISTANT SECRETARY PETER O. SUCHMAN TO
FRANCISCO DORNELLES. BEGIN TEXT.

DEAR FRANCISCO:

AS YOU ARE AWARE, THE CUSTOMS SERVICE RECENTLY FORWARDED
TO THE GOVERNMENT OF BRAZIL A QUESTIONNAIRE IN CONNECTION
WITH THE COUNTERVAILING DUTY INVESTIGATION OF COTTON
YARN FROM BRAZIL. HOWEVER, THE QUESTIONNAIRE
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PAGE 02 STATE 221571

INADVERTENTLY DID NOT REQUEST INFORMATION ON ONE OTHER

ALLEGATION RAISED IN THE PETITION IN THIS INVESTIGATION.
THE PETITIONER ALLEGES THAT CERTAIN REGIONAL INVESTMENT
INCENTIVES ARE PROVIDED BY THE GOVERNMENT OF BRAZIL TO
DEVELOP INDUSTRIES IN THE NORTHEASTERN AND NORTHERN REGIONS
OF YOUR COUNTRY. THESE INCENTIVES ALLEGEDLY CONCERN EXEMP-
T-ON FFOM INCOME TAXES, AS WELL AS, EXEMPTION FROM
STATE AND MUNICIPAL TAXES FOR PERIODS OF UP TO TEN YEARS.

WE THEREFORE WOULD APPRECIATE RECEIVING YOUR COMMENTS
ON THESE ALLEGATIONS; AND IF THE PROGRAMS DO EXIST,
RECEIVING YOUR EXPLANATION OF THE PROGRAMS. ADDITIONALLY,
IF THE PROGRAMS DO EXIST, WE WOULD APPRECIATE YOUR
CALCULATIONS OF THE AMOUNTS OF INCENTIVES RECEIVED BY
BRAZILIAN EXPORTERS OF COTTON YARN FROM SUCH PROGRAMS.

I ALSO WOULD LIKE TO TAKE THIS OPPORTUNITY TO INFORM YOU
THAT A PRELIMINARY AFFIRMATIVE DETERMINATION IN THIS
INVESTIGATION WILL BE ANNOUNCED SHORTLY. IF YOU HAVE
ANY COMMENTS OR QUESTIONS ABOUT THE DECISION, FEEL FREE
TO CONTACT ME.

THANK YOU AGAIN FOR YOUR COOPERATION.

SINCERELY YOURS,

PETER O. SUCHMAN
DEPUTY ASSISTANT SECRETARY
(TAFIFF AFFAIRS)

MR. FRANCISCO DORNELLES
MINISTRY OF FINANCE
BRAZILIA, BRAZIL

END TEXT. KISSINGER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COTTON, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: POSUCHMAN:JH
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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Margaret P. Grafeld
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TAGS: ETRD, BR, US
To: BRASILIA
Type: TE
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